

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-BANK)

BOND AMENDMENT STAFF REPORT

ISSUE: In connection with a proposed substitution of a letter of credit with both a letter of credit and a standby letter of credit, East Bay Society for the Prevention of Cruelty to Animals (East Bay SPCA or Borrower) requests amendments to certain documents related to the California Infrastructure and Economic Development Bank tax-exempt Variable Rate Demand Revenue Bonds, Series 2001 (East Bay SPCA Project) (2001 Bonds). The amendments will clarify certain provisions of the existing indenture of trust and loan agreement, add provisions required by the provider of the standby letter of credit, and extend the maturity date of the 2001 Bonds by five years.

BACKGROUND INFORMATION: In November 2000 and March 2001, the I-Bank Board approved resolutions which, together, authorized the issuance of tax-exempt revenue bonds in an amount not to exceed \$6,200,000 on behalf of the East Bay SPCA. East Bay SPCA is a non-profit public benefit corporation that promotes the humane treatment of animals offering medical and educational services, and domestic animal overpopulation control efforts. The March 2001 I-Bank Board action was needed to reflect a change to the Borrower's name, and change the project address and the initial letter of credit bank. The staff reports dated November 2000 and March 2001, and copies of Resolutions 00-51 and 01-13 are attached for a more complete description of the project and financing structure (see **Attachments A and B**).

The proceeds of the 2001 Bonds were used for the cost of designing, constructing, equipping and furnishing a new facility in which to provide animal adoption and neutering and education services. The 2001 Bonds were originally secured by a direct pay letter of credit (LOC) from Allied Irish Banks, p.l.c. (AIB).

NEED FOR AMENDMENTS: As a result of the recent credit rating downgrade of AIB, East Bay SPCA has proposed to substitute security for the 2001 Bonds by substituting its current LOC for a new direct pay letter of credit from First Republic Bank (New LOC) and a standby letter of credit from the Federal Home Loan Bank of San Francisco (Standby LOC). The Standby LOC will support the underlying New LOC.

Standard & Poor's is expected to assign the 2001 Bonds a credit rating of "AAA/A-1+" based on the Standby LOC from the Federal Home Loan Bank of San Francisco.

As a condition to issuing its standby letter of credit, the Federal Home Loan Bank of San Francisco is requiring a technical tax reissuance of the 2001 Bonds. It is the extension of the maturity of the 2001 Bonds that triggers the tax reissuance. A new Tax Equity Fiscal Responsibility Act (TEFRA) hearing was conducted on October 26, 2010 and another TEFRA hearing will be conducted on October 27, 2010. The amendments to the indenture of trust and the bonds to extend the maturity of the 2001 Bonds require bondholder consent. Because those portions of the proposed amendments require bondholder consent, they do not fit within the scope of the Executive Director's existing delegated authority established by Resolution 08-35.

In addition to the amendments required to extend the maturity of the 2001 Bonds, the indenture of trust and the loan agreement are being amended to permit the provision of the Standby LOC, and clarify some of the provisions of the indenture and loan agreement.

RECOMMENDATION: Staff recommends approval of Resolution 10-34 approving a first supplemental indenture and a first amendment to the loan agreement in connection with the substitution of security for and the extension of maturity date and tax-reissuance of the California Infrastructure and Economic Development Bank's Variable Rate Demand Revenue Bonds, Series 2001 (East Bay SPCA Project).

ATTACHMENT A
November 21, 2000 Staff Report and Resolution 00-51

AGENDA ITEM NO. IV.
November 21, 2000



STAFF SUMMARY

Applicant:	East Bay Society for the Prevention of Cruelty to Animals
Action Requested:	Final Resolution
Type of Financing:	Qualified 501 (c)(3) Bond
Amount:	Not to exceed \$6,200,000

APPLICANT DESCRIPTION AND BACKGROUND:

The East Bay Society for the Prevention of Cruelty to Animals (the "East Bay SPCA") is a non-profit public benefit corporation that promotes the humane treatment of animals offering medical and educational services, and in conjunction, has launched domestic animal overpopulation control efforts. Founded on April 15, 1874 to serve the animals of Alameda County, the Oakland SPCA was one of the first animal welfare organizations in the United States. In 1999, the East Bay SPCA was established as the umbrella administrative component of a social services system consisting of the Oakland SPCA, the Oakland SPCA Spay/ Neuter Surgery Center, and the new Tri-Valley SPCA facility to be built in Dublin, which is the subject of the proposed Infrastructure Bank financing. With the new Tri-Valley SPCA facility, the East Bay SPCA will strive to better meet the needs of the 750 square mile county with over 1.4 million residents that has outgrown the capacity of the existing SPCA facilities.

During 1999, the East Bay SPCA placed 2,252 animals in homes, funded or performed spay/neuter surgeries on 11,446 animals, provided \$204,000 in charity veterinary services and had over 4,300 school children participate in educational programs. The veterinary clinic also provides vaccinations or treatments to an average of 9,300 animals per year. These services are all provided by a staff of 45 individuals and 300 volunteers with a \$2.6 million budget funded by various contributions, gifts, and fees.

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The goal of the East Bay SPCA is to find a home for every adoptable dog and cat in the community. They plan to reach this goal by expanding shelter services, improving access to spay/neuter services, and providing responsible public education programs; all of which can be accomplished with the new facility.

There are three developments that have prompted the need for expanded SPCA services within Alameda County. Over the last three years, the California Legislature has passed two bills that have a direct impact on all animal control facilities within the state. SB 1785 (Hayden, Chapter 752, Statutes of 1998), mandated that impounded dogs and cats previously held by public pounds and shelters for 72 hours prior to being euthenized, be held for a minimum of 4 to 6 days (as specified) and that the animal be released to a nonprofit animal rescue or adoption organization. AB 1540 (Vincent, Chapter 303, Statutes of 1999), necessitated, among other things that dogs and cats be neutered prior to release or adoption. Finally, the Oakland SPCA facility was designed to meet the needs of the 1950s, when the population of Alameda County was centered primarily in the city of Oakland. The tremendous population growth in the eastern reaches of Alameda County (Dublin, Pleasanton and Livermore), have caused the pet population to multiply in exponential numbers, creating a problem for local animal control facilities.

The SPCA provides a comprehensive program, which prepares an animal, with grooming, medical attention, and training, for a new home. It brings together people that want pets with animals that need homes, decreasing the number of animals euthenized, and by first neutering/spading the animals, preventing those animals that go through their doors from having offspring. The importance of having animals spade/neutered will be emphasized in practice and through educating the public in order to manage the domestic animal population.

GOVERNANCE AND MANAGEMENT:

The East Bay SPCA is an independent nonprofit organization, which is governed by the following all-volunteer Board of Directors:

<u>Name</u>	<u>Occupation</u>
Catherine Fisher, Chair	Attorney at Law, Bell, Rosenberg and Hughes
Christopher Dann, Vice-Chair	President and CEO, Dodd Smith Dann Layher
Linda Jeffery Sailors, Treasurer	Retired Mayor
Gloria Hing M.D., Secretary	
Eleanor Dunn, D.V.M.	Lake Veterinary Hospital
Barbara Gabel	Owner, Zachary's Chicago Pizza

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Michael Levy	President, Pet Food Express
George Miers	Architect, George Miers and Associates
Mary Lou Oliver	Retired Mayor
Denise Coyne	Marketing Manager, Chevron Info. Tech. Co.
Robert Mischak, Jr.	Finance Manager, Miller Huber, Inc.

PROJECT DESCRIPTION:

The proposed project consists of designing, constructing, equipping and furnishing the new Tri-Valley SPCA facility on a 2.5-acre vacant parcel at 4551 Gleason Boulevard in Dublin. The land is owned by Alameda County and is subject to a 99-year lease at \$1 per year. The new facility will be 22,400 square feet with an estimated total project cost of \$6,848,000 million. The bond proceeds will be used to finance the construction of the new building which includes the surgery center, engineering/architecture fees, permits, acquiring furniture/equipment, and the bond issuance expenses. The primary services planned for the new facility are: (1) placement of abandoned and distressed animals in secure home environments, (2) provision of affordable veterinary care and spay and neuter surgeries for animals and (3) undertaking public educational programs that promote animal care and humane values. Construction of the facility is estimated to begin in November 2000 and extend through July 2001, with the facility being operational by August 2001.

The planned major components of the project include the following:

- A Spay/Neuter Surgery Center capable of performing 5,000 spay and neuter surgeries per year.
- A Community Room for use by visiting school children, community groups, and for public education programs.
- An Education Gallery with humane education information, displays and materials.
- Internet access to the East Bay SPCA's "VirtualPetAdoptions.com" web site, where guests will be able to search and review pictures and information for every animal available for adoption at ten different animal shelters.
- Canine and feline habitats designed to support 2,500 adoptions every year, by improving the animals' visibility while keeping them calmer and in better spirits.
- Animal habitats and socialization areas designed to keep animals relaxed and happy and to encourage prospective adopters to visit often and stay a long time.
- Public lawns and an inviting enclosed plaza where guests can take pets.
- A training courtyard where each dog will receive basic obedience training.

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PUBLIC BENEFITS:

Domestic Animal Overpopulation Control. With the projected growth in the Tri-Valley area, the domestic animal population has the potential to multiply exponentially without control mechanisms such as those the SPCA establishes. Tri-Valley SPCA will administer spay and neuter surgeries for animals before releasing them into adoptive homes. By taking responsibility for preventing reproduction, these animals will not in turn breed and add to the overpopulation problem. The SPCA is also designed to educate the public about the importance of taking the responsibility to spay/neuter their pets in order to keep the pet population at a level where every pet has a good home.

Job Creation. The new SPCA facility will create approximately 20 new jobs within two years of project completion, including 1-veterinarian, 3-medical technicians, 2-receptionists, 7-canine associates, 3-cat associates and 4-administrative personnel. Salary levels range from \$22,000 to \$70,000, and employees will be provided with a variety of benefits. Many volunteer opportunities for involvement will also be available.

Community Services. Community members will benefit from a resource that can assist them to properly care for their pets with both medical assistance and advice. Community members know where to go if their pet is lost and can be assured that it has been cared for. For many people pets are companions and friends, even acknowledged as family members. It is important to them that a service exists supporting animal's needs in the community. With the overwhelming support the SPCA has received through donations and gifts, it is apparent that people view their services as a necessary alternative to merely destroying unwanted animals.

The Tri-Valley SPCA will also bring together pets that need homes and people that seek pets, preventing those animals from being euthenized. The SPCA will create a dynamic adoption service where they have all animals in local shelters available on their website for a prospective family's convenience. They will also display the animals at pet stores where people can adopt them on site.

The new facility will be located across the street from an existing animal shelter operated by Alameda County. The Tri-Valley SPCA will work cooperatively with this shelter to identify animals that can be placed for adoption, reducing the burden on scarce county resources and the number of animals euthanized. It is expected that the spay and neuter clinic and educational activities associated with the Tri-Valley SPCA facility will reduce the number of animals that eventually enter the county shelter system due to fewer unwanted and neglected animals.

TEFRA HEARING:

On October 26, 2000, the Infrastructure Bank staff conducted a TEFRA hearing following public notices that were published in The Sacramento Bee and The Valley Times. No written or oral comments were received.

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FINANCING TEAM:

Bond Counsel:	Kutak Rock/Sam Balisy
Underwriter:	Gates Capital Corporation
Financial Advisor:	Growth Capital Associates/Dan Bronfman
Trustee:	U.S. Bank Trust National Association
Letter of Credit Bank:	Comerica Bank- California

BOND STRUCTURE:

Upon approval of a final resolution by the Board, the Infrastructure Bank will issue up to \$6,200,000 in tax-exempt, variable rate demand revenue bonds. The bonds will be supported by an irrevocable direct-pay letter of credit from Comerica Bank-California. The bonds are expected to be rated A/A-1 by Standard & Poor's.

In no event shall the bonds constitute a pledge of the faith and credit of the State or any political corporation, subdivision or agency of the State, and neither the State nor any political corporation, subdivision or agency of the State shall be liable to make any appropriation for the repayment of the bonds. The bonds shall constitute a special obligation of the Infrastructure Bank, payable solely from revenues or other sources provided for in a loan agreement between the Infrastructure Bank and the East Bay SPCA.

ELIGIBILITY REVIEW:

The proposed financing meets the following public interest criteria as required by Section 63046 of the Government Code: 1) The financing is for a project in the State of California; 2) based upon the Letter of Credit provided by Comerica Bank- California, the borrower is capable of meeting the obligations incurred under relevant agreements; 3) the payments to be made by the Company to the Infrastructure Bank under the loan agreement are adequate to pay the current expenses of Infrastructure Bank in connection with the financing and to make all the payments on the bonds; 4) the proposed financing is appropriate for the specific project. The proposed financing is also consistent with the Infrastructure Bank's policies and procedures for Conduit Revenue Bond Financing.

RECOMMENDATION:

Staff recommends approval of Final Resolution 00-51, for an amount not to exceed \$6,200,000, for the East Bay SPCA.

RESOLUTION NO. 00-51

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$6,200,000 AGGREGATE PRINCIPAL AMOUNT OF CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2000 (EAST BAY SPCA PROJECT) FOR THE CONSTRUCTION OF CERTAIN PROPERTY AND IMPROVEMENTS AND THE ACQUISITION AND INSTALLATION OF EQUIPMENT, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established for the purpose of financing projects needed to implement economic development and job creation within the State of California (the "State") and is authorized to issue tax-exempt revenue bonds to provide financing for private activity economic development facilities of non-profit organizations pursuant to the provisions of Section 63000 et seq. of the California Government Code (the "Act"); and

WHEREAS, the Oakland Society for the Prevention of Cruelty to Animals of Alameda, d/b/a East Bay Society for the Prevention of Cruelty to Animals, a California non-profit, public benefit corporation (the "Applicant") has submitted an application to the Issuer for the issuance of revenue bonds for the purpose of financing a portion of the cost of (1) designing, constructing, equipping and furnishing a new facility that will provide animal adoption and education services, spay/neuter surgery services and other related activities for the animals and residents of Alameda County to be located on an approximately 2.5 acre vacant parcel at 4551 Gleason Boulevard, Dublin, California 94568, and (2) payment of capitalized interest and certain costs of issuance in connection with the Bonds (collectively, the "Project"); and

WHEREAS, the Applicant expects to change its official name to the East Bay Society for the Prevention of Cruelty to Animals (the "Borrower") prior to the issuance of the Bonds (as hereinafter defined);

WHEREAS, the Borrower is a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended; and

WHEREAS, for purposes of financing a portion of the cost of the Project, the Issuer now desires (a) to authorize the issuance of its Variable Rate Demand Revenue Bonds, Series 2000 (East Bay SPCA Project) (the "Bonds"), in an aggregate principal amount not to exceed \$6,200,000, (b) to provide for the sale of the Bonds, (c) to provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the loan of proceeds of the sale of the Bonds (except for any amount representing accrued interest on the Bonds) to the Borrower to finance the costs of the Project pursuant to the terms and provisions of

a loan agreement and (d) to take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Issuer may not issue the Bonds to finance the Project until the Board of Directors of the Issuer makes certain determinations relating to the Project as required by the Act and the Issuer's procedures for the issuance of revenue bonds; and

WHEREAS, there is now on file with the Secretary of the Issuer the following:

- (a) a proposed form of the Loan Agreement (the "Loan Agreement"), to be entered into by and between the Issuer and the Borrower;
- (b) a proposed form of the Indenture of Trust (the "Indenture"), to be entered into between the Issuer and U.S. Bank Trust National Association, as trustee (the "Trustee"), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;
- (c) a proposed form of the Purchase Contract (the "Purchase Contract"), to be entered into by and among the Issuer, the Treasurer of the State of California and Gates Capital Corporation, as underwriter (the "Underwriter"), and approved by the Borrower;
- (d) a proposed form of the Tax Regulatory Agreement (the "Tax Regulatory Agreement"), to be entered into by and among the Issuer, the Borrower and the Trustee; and
- (e) a proposed form of the Official Statement (the "Official Statement") to be used by the Underwriter in connection with the sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The form of the Loan Agreement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Issuer further authorizes and approves the loan of the proceeds of the Bonds (except any amount representing accrued interest on the Bonds) to the Borrower in order to finance the cost of the Project pursuant to the terms and provisions of the Loan Agreement.

Section 2. The form of the Indenture on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver to the Trustee the Indenture, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of

this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 3. The form of the Purchase Contract on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Purchase Contract, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 4. The form of the Tax Regulatory Agreement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Tax Regulatory Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The form of the Official Statement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute the Official Statement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Underwriter is hereby authorized to distribute copies of the Official Statement in connection with the sale of the Bonds.

Section 6. The Issuer approves the issuance on a tax-exempt basis of not to exceed \$6,200,000 aggregate principal amount of the Bonds for the Project in accordance with the terms of and to be secured by the Indenture. Payment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Issuer pursuant to the Loan Agreement and Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the Issuer or the State. The Chair of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Issuer, by manual or facsimile signature, the Bonds, and the Secretary of the Issuer is hereby authorized and directed to attest, by manual or facsimile signature, thereto in an aggregate principal amount not to exceed \$6,200,000 in accordance with the Indenture and in the form set forth in the Indenture. The Bonds shall bear interest at the rates to be determined in accordance with the Indenture. In no event shall the rate of interest on the Bonds exceed 12% per annum or the maximum rate permitted by law whichever is lower.

Section 8. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate and register the Bonds so delivered by executing the appropriate Certificate of Authentication and Registration appearing thereon, and to deliver the Bonds, when duly executed, authenticated and registered, to the Underwriter in accordance with written instructions executed on behalf of the Issuer by the Chair of the Issuer or the Chair's designee which instructions said officer is hereby authorized and directed, for and in the name of and on behalf of the Issuer, to execute and to

deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriter upon payment of the purchase price therefor.

Section 9. Pursuant to Section 63046 of the Act, and based upon representations made by the Borrower, the Board of Directors of the Issuer hereby finds and determines:

- (a) that the Project is located in the State;
- (b) that the Borrower is capable of meeting its obligations with respect to the Bonds to be issued for the Project;
- (c) that the payments to the Issuer are adequate to pay all expenses of the Issuer in connection with the issuance and payment of the Bonds;
- (d) that the issuance of the Bonds is an appropriate financing mechanism for the Project;
- (e) that the Project is consistent with any existing local or regional comprehensive plans; and
- (f) the Project demonstrates clear evidence of a defined public benefit.

Section 10. The Chair of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance of the Bonds. All actions required to be undertaken by the Secretary of the Issuer that are necessary or appropriate to this transaction and the issuance of the Bonds may be undertaken by the Secretary's designee.

Section 11. All actions heretofore taken by the officers and agents of the Issuer with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officers of the Issuer and their authorized designees, deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 12. This Resolution shall take effect from and after its adoption.


PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on November 21, 2000, by the following vote:

AYES: Hatamiya, Porini, Lloyd

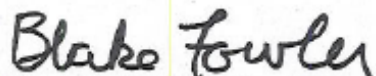
NOES: None

ABSENT: None

ABSTAIN: None

By 
Lon S. Hatamiya, Chair

Attest:

By 
Blake Fowler, Secretary

ATTACHMENT B
March 27, 2001 Staff Report and Resolution 01-13

AGENDA ITEM NO. III.c.
March 27, 2001

STAFF SUMMARY

ISSUE:

On November 21, 2000, the California Infrastructure and Economic Development Bank Board of Directors adopted Resolution No. 00-51 approving the issuance of tax-exempt variable rate 501(c)(3) Revenue Bonds (the "Bonds"), in an amount not to exceed \$6,200,000, for the Oakland Society for the Prevention of Cruelty to Animals of Alameda (the "Oakland SPCA"). The bonds were to be secured by an irrevocable, direct pay letter of credit issued by Comerica Bank-California.

The Oakland SPCA has informed staff that, shortly after the Board's approval, negotiations with Comerica Bank were terminated without resolution. After pursuing several alternatives, the Oakland SPCA has reached an agreement with Allied Irish Bank, p.l.c. to provide the necessary letter of credit. Allied Irish Bank actually has a slightly better credit rating than Comerica, having been rated A+/A-1 by Standard & Poor's as opposed to the A/A-1 rating currently assigned to Comerica Bank-California.

The Oakland SPCA has also notified staff that its official name has changed to the East Bay Society for the Prevention of Cruelty to Animals. In addition, the Oakland SPCA has informed staff that they had provided an incorrect property address for the project. Instead of 4551 Gleason Boulevard in Dublin, the correct address is 4651 Gleason Boulevard. This discovery will necessitate an additional TEFRA hearing which the CIEDB staff will conduct on April 9, 2001.

RECOMMENDATION:

Staff recommends approval of Resolution No. 01-13, amending Resolution No. 00-51 and thereby consenting to and approving the change in the name of the borrower, a change in the project address and the issuance of the letter of credit by Allied Irish Bank, p.l.c. to secure the Bonds. Approval of the Board is subject to a supplemental public hearing to be conducted by the CIEDB, at which hearing, no negative comments from the public are received regarding the proposed project or the financing.

RESOLUTION NO. 01-13

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AMENDING RESOLUTION NO. 00-51 WITH RESPECT TO THE FINANCING OF CERTAIN FACILITIES FOR THE EAST BAY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") is authorized to issue revenue bonds and to enter into loan agreements, contracts and other instruments and documents necessary or convenient to obtain funds for the purpose of facilitating the financing or refinancing of private activity economic development facilities of non-profit organizations pursuant to the provisions of Section 63000 et seq. of the California Government Code (constituting Division 1 of Title 6.7 of the Government Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented);

WHEREAS, pursuant to Resolution No. 00-51, adopted on November 21, 2000 (the "Prior Resolution"), the Issuer authorized the execution of certain documents and the issuance of its variable rate demand revenue bonds for the Oakland Society of the Prevention of Cruelty to Animals of Alameda (the "Oakland SPCA") for the purpose of financing a portion of the cost of (1) designing, constructing, equipping and furnishing a new facility that will provide animal adoption and education services, spay/neuter surgery services and other related activities for the animals and residents of Alameda County to be located on an approximately 2.5 acre vacant parcel at 4551 Gleason Boulevard, Dublin, California 94568, and (2) payment of capitalized interest and certain costs of issuance in connection with the bonds (collectively, the "Project");

WHEREAS, the Oakland SPCA has notified the Issuer that its official name has changed to the East Bay Society for the Prevention of Cruelty to Animals (the "Borrower");

WHEREAS, the Borrower has notified the Issuer that the Project is located at 4651 Gleason Drive, Dublin, California 94568 ("Revised Location") and not 4551 Gleason Boulevard, Dublin, California 94568, as originally approved in the Prior Resolution;

WHEREAS, the Borrower has notified the Issuer that the Bonds will be secured by a letter of credit to be provided by Allied Irish Banks, p.l.c. (the "Bank") and not Comerica Bank-California, as originally approved in the Prior Resolution;

WHEREAS, for purposes of financing a portion of the cost of the Project, the Issuer now desires to affirm its authorization of the issuance of its Variable Rate Demand Revenue Bonds, Series 2001 (East Bay SPCA Project);

WHEREAS, pursuant to the Prior Resolution, the Issuer has approved the authorization and execution of the following documents now on file with the Secretary of the Issuer:

- (a) a proposed form of the Loan Agreement (the "Loan Agreement"), to be entered into by and between the Issuer and the Borrower;
- (b) a proposed form of the Indenture of Trust (the "Indenture"), to be entered into between the Issuer and U.S. Bank Trust National Association, as trustee (the "Trustee"), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;
- (c) a proposed form of the Purchase Contract (the "Purchase Contract"), to be entered into by and among the Issuer, the Treasurer of the State of California and Gates Capital Corporation, as underwriter (the "Underwriter"), and approved by the Borrower;
- (d) a proposed form of the Tax Regulatory Agreement (the "Tax Regulatory Agreement"), to be entered into by and among the Issuer, the Borrower and the Trustee; and
- (e) a proposed form of the Official Statement (the "Official Statement") to be used by the Underwriter in connection with the sale of the Bonds (the Loan Agreement, the Indenture, Purchase Contract, the Tax Regulatory Agreement and the Official Statement are herein collectively referred to as the "Transaction Documents").

NOW, THEREFORE, the Board of Directors of the California Infrastructure and Economic Development Bank does resolve as follows:

Section 1. The Prior Resolution is hereby amended in part as provided in this Resolution. Except as amended by this Resolution, the Prior Resolution shall remain in full force and effect.

Section 2. The Issuer hereby consents to and approves of the change in the name of the borrower, the Revised Location of the Project and the issuance of the letter of credit by the Bank to secure the Bonds.

Section 3. The Issuer approves the issuance on a tax-exempt basis of not to exceed \$6,200,000 aggregate principal amount of the Bonds for the Project in accordance with the Prior Resolution; provided, that (a) the Bonds meet the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (relating to the public approval requirement for private activity bonds) (the "Code"), on the date of issuance and (b) no negative comments relating to the Project or the financing of the Project with the proceeds of the Bonds are received at the public hearing conducted pursuant to Section 147(f) of the Code. The Issuer hereby affirms its approval of the execution of the Transaction Documents authorized in the Prior Resolution with such changes and insertions as may be necessary to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 4. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Issuer in connection with the financing of the Project are hereby ratified and confirmed. The officers and their designees, employees and agents of the Issuer are hereby authorized to take any and all actions in connection with the financing of the Project and as may be necessary and consistent with the purposes of this Resolution and the Prior Resolution.

Section 5. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on March 27, 2001, by the following vote:

AYES:	Hatamiya, Porini, Lloyd
NOES:	None
ABSENT:	None
ABSTAIN:	None


Lon S. Hatamiya, Chair

ATTEST:


Blake Fowler, Secretary